

## Urgent Decision Taken on Behalf of Cabinet

### Report to the Leader of the Council and the Cabinet Member for Highways and Transport

Report submitted by: Head of Service for Public and Integrated Transport

Part I

Electoral Division affected:  
(All Divisions);

### National Bus Strategy – Enhanced Bus Partnership and Bus Service Improvement Plan

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#### Executive Summary

"Bus Back Better" is the Government's National Bus Strategy for England and was launched on 15 March 2021. This sets out a new approach to transform the bus sector, following the COVID-19 pandemic, to ensure it becomes the mode of choice for shorter distance travel. It advocates the development of Enhanced Partnerships between Local Transport Authorities (LTAs) and bus operators and requires the development and introduction of ambitious bus priority schemes, changes to fares and ticketing, improved infrastructure, better and greener buses and promotion and marketing, amongst other detailed points covered in the strategy.

To benefit from the funding in this strategy, Local Transport Authorities are expected to decide whether to move towards an Enhanced Partnership giving a Notice of the intention to prepare the Plan and Scheme and draw up ambitious Bus Service Improvement Plans.

A decision is required as to how to proceed. There are two options. To look at using franchising powers or make an Enhanced Partnership Plan and Scheme, a statutory arrangement under the 2017 Bus Services Act which can specify, for example, timetables and multi-operator ticketing, and allows the Local Transport Authorities to take over the role of registering bus services from the Traffic Commissioners.

A decision is also required to proceed with a Bus Services Improvement Plan.

The timescales are short and resource implications significant.

#### Reason for Urgency

This decision is urgent and cannot await the next meeting of Cabinet on 8 July 2021. The reason for this is due to the timeframe for the process which has been mapped by Government, demonstrating the expectations on each local authority and bus

operator and which is outside the county council's control.

The Department for Transport Guidance on the National Bus Strategy and Bus Service Improvement Plans was only published on 17 May 2021.

The timeframe is set out below:

- Step 1: by the end of June 2021, decide which statutory path to follow - pursue an Enhanced Partnership Scheme or develop a bus franchising assessment.
- Step 2: by the end of October 2021, publish a Bus Service Improvement Plan.
- Step 3: by the end of March 2022, have either an Enhanced Partnership Scheme in place or be following the statutory processes to develop a bus franchising assessment.

This decision is therefore being taken on behalf of Cabinet by the Leader of the Council and Cabinet Member for Highways and Transport in accordance with the provisions of Standing Order C16(1).

### **Recommendation**

The Leader of the County Council and the Cabinet Member for Highways and Transport are recommended to approve:

- i. The Enhanced Partnership option be pursued and that, by 30 June 2021, the county council publishes a statutory notice in accordance with Transport Act 2000 S.138F (1) (a), that it intends to prepare an Enhanced Partnership Plan and Scheme;
- ii. The establishment of an Enhanced Partnership Board and Working Groups, ensuring cross department, bus operator and stakeholder engagement and inviting operators to participate in the preparation of a draft Enhanced Partnership Plan and Scheme;
- iii. The development of a draft Enhanced Partnership Plan and Scheme for Lancashire in accordance with statutory provisions and guidance and for officers to work with bus operators and with neighbouring authorities for cross boundary bus services;
- iv. The development of an ambitious Bus Service Improvement Plan (BSIP) for Lancashire to ensure the county council receives its share of the £3bn being made available by Government during the current Parliament;
- v. That the Executive Director of Growth, Environment, Transport and Community Services be authorised to approve and publish the Bus Service Improvement Plan in consultation with the Cabinet Member for Highways and Transport by the end of October 2021; and
- vi. To report further once the Enhanced Partnership Plan and Scheme are prepared to seek approval and decide whether to proceed further.

This decision should be implemented immediately for the purposes of Standing Order C29 as any delay could adversely affect the execution of the county council's responsibilities. The reason for this is set out in the report.

## Background and Advice

### New Strategy

The [National Bus Strategy](#) sets out the government's vision for bus transport. Buses are at the centre of the public transport network, making over 4 billion journeys in England in 2019/20, more than twice as many as the railways.

COVID-19 has caused a significant shift of passengers from public transport to the car. As such we need to shift back quickly, by making radical improvements to local public transport as normal life returns and buses are seen by government as the quickest, easiest and cheapest way to do that.

The government is advocating that they want more frequent bus services, better services in the evenings and weekends, to reflect people's 24-hour lives and to provide safe, reliable transport for key workers. In places unserved or barely served by conventional buses, such as rural villages and out-of-town business parks, it wants more demand responsive services with smaller vehicles.

It wants the development of simple, cheap flat fares that you can pay with a contactless card, with daily and weekly price capping across operators, rail and tram too. They want a network that is easy-to-understand, consistent high standards and comprehensive information at the touch of a phone.

It also wants 4,000 new "green" buses to be introduced, and many others, running faster and more reliably in special lanes. It needs all councils, who control the roads, and bus operators to work together.

Armed with transformational funding, the Government intends this National Bus Strategy to "build back better". Its central aim is to get more people travelling by bus – first, to get overall patronage back to its pre-COVID-19 level, and then to exceed it. This will only be achieved if we can make buses a practical and attractive alternative to the car for more people.

### Franchising

Buses in London, unlike the rest of England, are franchised. Transport for London determines the network of services which are provided, under contracts for specific routes, by private sector operators. Franchising powers are only available automatically to Mayoral Combined Authorities but can be provided to other Local Transport Authorities through secondary legislation. The Government will support any Local Transport Authorities which wishes to access franchising powers, and which has the capability and intention to use them at pace to deliver improvements for passengers.

Franchising is not the only route to better and more locally accountable bus services. An Enhanced Partnership is a statutory arrangement under the 2017 Bus Services Act which can specify, for example, timetables and multi-operator ticketing, and allows the Local Transport Authorities to take over the role of registering bus services from the Traffic Commissioners.

As the Strategy says, those Local Transport Authorities (other than mayoral combined authorities) which wish to pursue franchising must be able to satisfy the Secretary of State that they have the capacity and resources to deliver the franchised model chosen. Since franchising can take several years, and Government wants to deliver change for all parts of the country quickly, Local Transport Authorities (other than those already pursuing a franchising assessment, such as Greater Manchester) should also commit to establishing an Enhanced Partnership in the meantime. If Local Transport Authorities believe they can deliver franchising sufficiently quickly, Government will consider allowing them to skip the Enhanced Partnership stage.

### Enhanced Partnerships

The main difference in an Enhanced Partnership is that operators have a much greater role, working with Local Transport Authorities to both develop and deliver improvements for passengers and having a real say on how bus services should be improved. Enhanced Partnerships also offer significantly more flexibility than franchising and can be delivered more quickly and potentially at a lower ongoing cost. Within the franchising model the local authority would take on the ongoing financial risk associated with local bus services and would require a substantial increase in resources to manage and maintain a franchised bus network.

The procedure involves developing a Plan and Scheme or Schemes.

An Enhanced Partnership Plan is a plan that;

- (a) specifies the area and the period to which the plan relates,
- (b) sets out an analysis of the local services provided in that area,
- (c) sets out policies relating to local services in that area,
- (d) sets out objectives as regards the quality and effectiveness of local services provided in that area by reference to that period,
- (e) describes how the related enhanced partnership scheme or schemes is or are intended to assist in implementing those policies and achieving those objectives, and
- (f) describes the intended effect of the related enhanced partnership scheme or schemes on areas neighbouring the area to which the plan relates.

An Enhanced Partnership Plan must state whether the plan is to be reviewed.

An Enhanced Partnership Scheme is a scheme that:

Imposes requirements in relation to local services that have one or more stopping places in that area by specifying them in the scheme.

An enhanced partnership scheme must contribute to the implementation of:

- (a) the policies set out in the related enhanced partnership plan, and
- (b) their local transport policies.

An enhanced partnership scheme must:

- (a) bring benefits to persons using local services in the whole or any part of the area to which the scheme relates by improving the quality or effectiveness of those services, or
- (b) reduce or limit traffic congestion, noise or air pollution.

The procedures envisage objection periods and consultations, possible variation and changes.

#### New Bus Service Improvement Plan

To benefit from the funding in this strategy, Local Transport Authorities in such places will be expected to implement ambitious bus priority schemes and draw up ambitious **Bus Service Improvement Plans**. Statutory traffic management guidance will be updated to make promoting bus reliability an integral part of highway authorities' Network Management Duty.

Bus Service Improvements Plans must:

- Be developed by Local Transport Authorities in collaboration with local bus operators, community transport bodies and local businesses, services, and people.
- Cover the Local Transport Authorities full area, all local bus services within it, and the differing needs of any parts of that area (e.g. urban and rural elements).
- Focus on delivering the bus network that Local Transport Authorities (in consultation with operators) want to see, including how to address the under provision and overprovision of bus services and buses integrating with other modes.
- Set out how they will achieve the objectives of the strategy, including growing bus use, and include a detailed plan for delivery.
- The strategy will require regular evaluation to ensure it is being delivered in line with the requirements. It is anticipated positive evaluation will lead to the ability to apply for additional funding streams.
- Be updated annually and reflected in the authority's Local Transport Plan, future Masterplans across the county and other relevant policies being developed.

Bus Service Improvements Plans are prescriptive and should amongst other things; set targets for journey times and reliability improvements; identify where bus priority measures are needed, set out pressures on the road network, air quality issues and carbon reduction targets which improved bus services could address and drive improvements for passengers e.g. setting out plans and costs for fares, ticketing and modal integration and committing to a Bus Passenger Charter .

## Grant

Following the publication of “Bus Back Better” Baroness Vere, in a letter to local authorities, offered Local Transport Authorities £100,000 in capacity support.

The purpose of this grant is to support Local Transport Authorities in developing local bus proposals as outlined in the National Bus Strategy (NBS). In particular, it is being offered to help Local Transport Authorities towards the development of their Enhanced Partnership Schemes (EPS) or franchising scheme, and Bus Service Improvement Plans (BSIP) work, and to meet the timescales that go alongside that work. Additional capacity funding will be available from June 2021 when the government has received the authorities' notices of intent to deliver an Enhanced Partnership Plan and Scheme.

## Timeframe

A timeframe for the process has been mapped by Government, demonstrating the expectations on each local authority and bus operator. A number of Local Transport Authorities have raised concerns about the time restraints at webinars but in all cases the Department for Transport have been quite clear that the timeline cannot be changed.

- By the end of June 2021, the Government expects all Local Transport Authorities, except Mayoral Combined Authorities which have started the statutory process of franchising bus services, to commit to making the statutory Plans and Schemes and establishing Enhanced Partnerships across their entire areas under the Bus Services Act 2017, and all bus operators to co-operate with the Local Transport Authorities throughout the process.
- From 1 July 2021, only Local Transport Authorities and operators who meet these requirements will continue to receive the COVID-19 Bus Services Support Grant or any new sources of bus funding from the Government's £3bn budget.
- By the end of October 2021, the Government expects all Local Transport Authorities to publish a local Bus Service Improvement Plan (BSIP), detailing how they propose to use their powers to improve services, with the expected actual delivery of Enhanced Partnership Plan and Scheme by April 2022.

## Local Authority Work and resource implications

Much of the work to improve services and manage the new funding streams will be done by local authorities, whose capacity varies significantly. The government will provide £25 million in 2021/22 to support partnership and franchising development, including a Bus Centre of Excellence. Just as buses are central to the public transport network, bus reform is central to the Government's objectives. They are acting not just because buses are the easiest, cheapest and quickest way of improving transport – but because the bus is key to two of the Government's wider priorities: net zero carbon emissions and levelling up.

This is the most significant change of emphasis in relation to the future operation and support to bus services across Lancashire, and England, since services were deregulated in 1986. It will have resource implications for the authority, but details are not yet known as we are awaiting further Department for Transport Guidance on funding and the Enhanced Partnership process required.

#### Basis for the Recommendations

The initial decision is to establish whether the approach that the county council wishes to take is an Enhanced Partnership or Franchising.

Because of the timescales set out by government, it is recommended that the initial approach should be through Enhanced Partnership Plan and associated Scheme(s). The development of any franchise proposal is likely to take several years and require significant staff and financial resources to deliver, even if the council were to obtain Secretary of State approval.

Currently, the COVID Bus Service Support Grant is funding provided by Government to bus operators and local authorities to cover loss of revenue and to keep services operating during the current COVID-19 pandemic while passenger numbers are reduced.

It is understood that if the authority has not committed to developing an Enhanced Partnership Plan and Scheme by the end of June 2021 then the county council, and bus operators, will not receive any further funding support from Central Government for bus services or for other developments. This therefore supports the recommendation that the initial approach be through the Enhanced Partnership process.

From that date, the new discretionary forms of bus funding from Government will only be available to services operated, or measures taken, under an Enhanced Partnership or where a franchising scheme has been made. In addition, only services operated under these statutory agreements will be eligible for the reformed Bus Service Operators Grant, subject to consultation.

The Government expects that the majority of Local Transport Authorities will choose these Enhanced Partnerships rather than franchising as their end state, though others will proceed to franchising. They value the crucial role that bus operators have and believe that partnerships will allow Local Transport Authorities to harness their knowledge and entrepreneurial skills. Partnerships will work best if they deliver benefits and incentives to both sides.

Guidance on Enhanced Partnerships will be published in the coming weeks which will enable us to understand the details further.

Delivery of the final made Enhanced Partnership Plans and Scheme(s) is expected by **April 2022**. It is clear from that date, the new discretionary forms of bus funding from Government will only be available to services operated, or measures taken, under an Enhanced Partnership Plan and Scheme.

Should the decision be made to proceed with the Enhanced Partnership provisions further decisions about giving the statutory Notice need to be made and the commencing of preparation of the draft Plan and Scheme.

A further decision is also required regarding the preparation and approval of the Bus Service Improvement Plan by October. It is therefore recommended that the Executive Director of Growth, Environment, Transport and Community Services be authorised to approve and publish the Bus Service Improvement Plan in consultation with the Cabinet Member for Highways and Transport.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

Failure to meet the deadlines and requirements set by Government will mean that the authority, and bus operators will not receive the new discretionary forms of bus funding from Government. In addition, only services operated under these statutory agreements will be eligible for the reformed Bus Service Operators Grant, subject to consultation.

The decisions made will set out the course of actions towards a new look Bus Service for Lancashire. Officers will have challenging times ahead working (if agreed) towards a draft Enhanced Partnership Plan and Scheme and a Bus Service Improvement Plan.

### **Risk management**

This item has the following implications, as indicated:

Failure to confirm these arrangements will result in funding for public transport and other funding streams to be unavailable to Lancashire

### **Financial**

The authority has already received £100,000 of Local Transport Authority Bus Capacity Grant Funding. Further funding will be made available from Central Government for resources from 1 July 2021 to develop the Enhanced Partnership Plan and Scheme and Bus Service Improvement Plans. However, the detail of this additional funding is still to be confirmed, as are the costs for developing the plan, and as such it is uncertain whether the authority will incur additional costs although this will become clearer over time and will be reported on when available.



## **Legal**

Sections 138A-S were put into the Transport Act 2000 in 2017 and provide for authorities to make Enhanced Partnership Plans and Schemes.

Giving Notice of intent commences procedures under statute which may have resource and other implications.

At every step the decisions by the authority could be subject to a Judicial Review challenge. This initial step is not bringing actual changes to services but intending to do so and later steps may bring friction and potential claims against the authority.

## **List of Background Papers**

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A

**Urgent Decision Taken on behalf of Cabinet: Declarations**

**Leader of the County Council**

**National Bus Strategy – Enhanced Bus Partnership and Bus Service Improvement Plan**

Original recommendation, as set out in the report, approved without amendment. Yes/No \*

Original recommendation amended and decision as follows: Yes/No \*

I have a pecuniary/non-pecuniary interest in this matter. Yes/No \*

If an interest is declared please give details below:

.....  
Leader of the County Council

insert date

**Chief Officer**

I certify that this is an appropriate and accurate record within the terms of Standing Order C30(2) and (3) of the decision taken by the Cabinet Member.

.....  
insert title of authorising officer

insert date

\*Delete as appropriate

**This decision is to be taken by more than one Cabinet Member and all relevant Cabinet Members must be in agreement with the decision**

**Urgent Decision Taken on behalf of Cabinet: Declarations**

**Cabinet Member for Highways and Transport**

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